

DOCUMENT RESUME

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[Need for Uniformity in Processing Military Disability Retirements]. PPCD-77-45; B-168308. April 18, 1977. 6 pp.

Report to Secretary, Department of Defense; by H. L. Krieger, Director, Federal Personnel and Compensation Div.

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Contact: Federal Personnel and Compensation Div.

Budget Function: National Defense: Department of Defense -
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Organization Concerned: Department of the Army; Department of
the Air Force; Department of the Navy.

Congressional Relevance: House Committee on Armed Services;
Senate Committee on Armed Services.

Authority: P.L. 94-225. 10 U.S.C. 61. Department of Defense
Directive 1332.18.

A followup review of military disability retirement processing was conducted. Findings/Conclusions: Both the current and prior reviews show that the military departments are not uniform in processing disability retirements and separations. There has been a lack of monitoring and enforcement by the Department of Defense (DOD) to assure uniform consideration and disposition of the disabled members. There are significant differences among the departments between the elapsed time periods for preparing retirement orders following the retirement determination and for establishing effective dates of retirements. There are also inconsistencies among the military departments in the processing of disability cases for members with terminal medical conditions. Recommendations: DOD should issue a revision to DOD Directive 1332.18 which incorporates the following recommendations: establish the 20-day standard for processing disability retirements; insure that service regulations conform to the revised directive; and establish a uniform policy on expediting processing of disability retirements for terminally ill members. The directive should also provide for uniform consideration and disposition of disabled members who are also eligible for nondisability retirement. To insure that service disability retirement practices are uniform and conform to DOD regulations, DOD should perform periodic audits and inspections of the operational systems. (SC)

01966



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

APR 18 1977

B-168308

The Honorable
The Secretary of Defense

Dear Mr. Secretary:

We have completed a followup review of military disability retirement processing (Code 963049). Our current work confirms our prior finding that there is a need for improved efficiency and uniformity among the military departments in managing and processing disability retirement separations. We believe consolidating military disability retirement processes under a single manager would probably improve this situation and provide more equitable treatment for disabled service members. However, similar results may be obtained if the Department of Defense (DOD) takes a more positive role in oversight and management of the disability retirement/separations systems.

PROBLEMS IN THE PROCESSING OF MEMBERS
FOR DISABILITY RETIREMENT/SEPARATION

Our current and prior reviews show that the military departments are not uniform in processing disability retirements/separations. Also, there has been a lack of monitoring and enforcement by DOD to assure uniform consideration and disposition of the disabled members.

There are differences among the departments in placing members into the system and the disposition of those members. The following chart shows the number of personnel evaluated for disability retirement/separations between April 1, 1975, and March 31, 1976, and the dispositions directed by the military departments.

FPCD-77-45

	<u>Army</u>		<u>Air Force</u>		<u>Navy-Marine Corps</u>	
		<u>(Per- cent)</u>		<u>(Per- cent)</u>		<u>(Per- cent)</u>
Assigned strengths as of June 30, 1975	780,890		608,137		730,835	
Number of personnel evaluated and percentage of assigned strength	4,212	.539	3,022	.497	8,296	1.135
Directed Dispositions:						
	<u>Army</u>		<u>Air Force</u>		<u>Navy-Marine Corps</u>	
		<u>(Per- cent)</u>		<u>(Per- cent)</u>		<u>(Per- cent)</u>
Retired	3,036	72	1,611	53	3,262	39
Discharged	952	23	686	23	4,009	48
Returned to duty	224	5	545	18	701	8
Disposition not shown	-	-	180	6	324	4
Total	<u>4,212</u>		<u>3,022</u>		a/ <u>8,296</u>	

a/Separate statistics were not furnished by DOD.

Unfavorable conditions noted in prior reviews

In a report of March 19, 1973, (B-168308) we pointed out, among other things, significant differences among departments between the elapsed time periods for preparing retirement orders following the retirement determination (approval) and for establishing effective dates of retirements. Based on Navy and Marine Corps practices, we recommended a 20-day time standard to allow 5 days to prepare orders following retirement approval and a 15-day interval

between the issuance of orders and the effective retirement date.

In a letter dated May 14, 1973, the Principal Deputy Assistant Secretary of Defense (Health and Environment) informed us that DOD concurred in the need for uniformity in effecting military disability retirements and the recommended 20-day standard, and that Army procedures and Air Force policies had been changed to conform the processing times of those services to the standard.

In our May 11, 1976, report (FPCD-76-59) on our follow-up review, we advised you that DOD actions had not resulted in disability retirements being processed within the agreed standard. We reported that while the Air Force and Navy were processing disability retirements within the 20-day standard, the Army still exceeded the 20-day standard, and the Marine Corps, which had been used as a model for the processing times, had also exceeded the 20-day standard. The Marine Corps officer responsible for the order-issuing activity informed us that he was unaware of our previous review and that he had not been told of the 20-day standard.

We also reported on May 11, 1976, inconsistencies among the military departments in the processing of disability cases for members with terminal medical conditions. The Army, Navy, and Marine Corps expedite disability retirement processing for disabled members in a terminal medical condition. The Air Force, however, requires that these cases be processed on the same basis as routine disability retirements.

This is a sensitive issue, since survivors of disabled retirees receive important benefits not available to the survivors of members who die while in an active duty status. Two benefits are the survivor annuity from the military retirement system and special life insurance coverage from the Veterans Administration. We believe a uniform policy and practice conforming to the intent of the law is needed to insure equitable treatment for all military survivors.

In response to our report of May 11, 1976, the Acting Assistant Secretary of Defense (Health Affairs) by letter dated August 11, 1976, agreed with our recommendations and stated that initially DOD believed the desired disability standards could be achieved by the military departments through internal management improvements and without any

formally prescribed DOD standards. However, that approach had not brought about the desired results; therefore, stronger controls must be initiated from DOD, and vigorous action was planned. The Acting Assistant Secretary also informed us that an effort was being made to establish a uniform policy in processing terminally ill members on which we would be advised at a later date.

Need for greater DOD involvement in
managing the disability processing systems

The basic DOD policies for implementation of chapter 61, title 10 U.S. Code, Retirement or Separation for Physical Disability, are contained in Directive 1332.18. This directive, issued September 9, 1968, requires the Assistant Secretary of Defense to periodically review the military departments' procedures to insure their uniformity, and despite significant changes in retirement considerations, has been revised only once, on January 7, 1970. For example, due to apparent abuses in the disability retirement of highranking and medical officers, DOD sought and obtained legislation (Public Law 94-225) which vests approval authority of such retirements in DOD rather than in the military departments.

In addition to the above legislative change, the Deputy Secretary of Defense issued memorandums dated December 6, 1972, and January 29, 1973, wherein DOD recognized that wide variances existed in disabled personnel treatment and promulgated new guidelines. The memorandums emphasized that disability retirements were not appropriate for members who had completed a normal career and whose disabling conditions did not adversely affect the performance of the duties of their grade or office. But our analysis of the disability retirees who were eligible for career nondisability retirements indicates the departments did not uniformly implement this policy. In the Army, 15 percent of the members retiring for disability between April 1, 1975, and March 31, 1976, were also eligible for nondisability retirement as compared to 25 percent in the Navy-Marine Corps and 33 percent in the Air Force. Apparently, the Army is more stringently and properly implementing the DOD policy that a member will not be retired for disability upon reaching normal career retirement unless there is clear and convincing evidence that such person was not satisfactorily performing the duties of his office, grade, rank, or rating because of a disability.

The January 1973 memorandum stated that these guidelines would be implemented pending the publication of changes to DOD Directive 1332.18; however, the directive has not been revised.

We believe that the lengthy delay by DOD in revising the directive and incorporating the 20-day processing standard probably contributed to the failure of the Marine Corps to follow the standard as reported in our May 11, 1976, followup report. We also stated in that report that DOD personnel told us they were updating DOD Directive 1332.18 but had no plans to include the 20-day standard because they were unaware of it. After discussing it with them, they stated they would incorporate the standard in the revised directive.

At a meeting in December 1976 with representatives of the Office of the Assistant Secretary of Defense (Health Affairs), we were advised that the vigorous action promised in the August 11, 1976, letter had not been taken; that the revision of DOD Directive 1332.18 will probably be made in the late spring 1977; and that such revision should provide better uniformity among the departments. These officials stated that the delays in issuing the revision are partially the result of the extremely limited staff in DOD.

Although the revision of DOD Directive 1332.18 is necessary to improve disability retirement processes, the revised directive will be of little value without adequate DOD oversight, control, and guidance.

RECOMMENDATIONS

We recommend that DOD issue the revision to DOD Directive 1332.13 to incorporate recommendations cited in our previous reports. The recommendations are to:

- Establish the 20-day standard for processing disability retirements.
- Insure that service regulations conform to the revised directive.
- Establish a uniform policy on expediting processing of disability retirements for terminally ill members.

We also recommend that the directive provide for uniform consideration and disposition of disabled members who

are also eligible for nondisability retirement. Furthermore, to insure that service disability retirement practices are uniform and conform to DOD regulations, DOD should perform periodic audits and inspections of the operational systems.

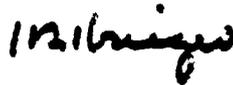
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We would appreciate your comments and information on actions taken on the above matters.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretaries of the Army, Navy, and Air Force; and the Commandant of the Marine Corps. Copies are also being sent to the Chairmen, House and Senate Committees on Appropriations; House Committee on Government Operations and the Senate Committee on Governmental Affairs; and House and Senate Committees on Armed Services.

Sincerely yours,



H.L. Krieger
Director